

# FISCAL NOTE

**Bill #:** SB24

**Title:** Prohibit Medicaid funding for circumcisions that are not medically necessary

**Primary Sponsor:** Jerry O'Neil

**Status:** As Introduced

\_\_\_\_\_  
Sponsor signature Date

\_\_\_\_\_  
Chuck Swysgood, Budget Director Date

## Fiscal Summary

	<b><u>FY2003</u></b> <b><u>Difference</u></b>	<b><u>FY2004</u></b> <b><u>Difference</u></b>	<b><u>FY2005</u></b> <b><u>Difference</u></b>
<b>Expenditures:</b>			
General Fund	(\$26,967)	(\$32,628)	(\$32,822)
Federal Special Revenue	(\$72,652)	(\$88,084)	(\$87,890)
<b>Revenue:</b>			
Federal Special Revenue	(\$72,652)	(\$88,084)	(\$87,890)
<b>Net Impact on General Fund Balance:</b>	\$26,967	\$32,628	\$32,822

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	x	Significant Local Gov. Impact		x	Technical Concerns
	x	Included in the Executive Budget		x	Significant Long-Term Impacts
	x	Dedicated Revenue Form Attached		x	Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

1. This bill will limit Medicaid coverage of circumcisions to those services that are deemed medically necessary.
2. The state medical doctor will establish new guidelines for Medicaid coverage of circumcisions.
3. It is estimated under the old guidelines that Medicaid would cover 1,300 circumcisions in FY 2003 and 1,575 each year of the next biennium.
4. It is estimated under the new guidelines three percent of all circumcisions will be determined to be medically necessary (39 in FY 2003, 47 in 2004 and 47 in 2005).
5. The average Medicaid reimbursement for circumcision is \$79.

(continued)

6. The estimate of Medicaid savings is \$99,619 for FY 2003 (1,261X \$79) and \$120,712 for each year of the next biennium (1,528 X \$79).
7. The FMAP for FY 2003 is 27.07% general fund and 72.93% federal fund, FY 2004 - 27.03% general fund and 72.97% federal fund, FY 2005 – 27.19% general fund and 72.81% in federal fund.

FISCAL IMPACT:

	<u>FY2003</u> <u>Difference</u>	<u>FY2004</u> <u>Difference</u>	<u>FY2005</u> <u>Difference</u>
<u>Expenditures:</u>			
Benefits	(\$99,619)	(\$120,712)	(\$120,712)
<u>Funding:</u>			
General Fund (01)	(\$26,967)	(\$32,628)	(\$32,822)
Federal Special Revenue (03)	<u>(\$72,652)</u>	<u>(\$88,084)</u>	<u>(\$87,890)</u>
TOTAL	(\$99,619)	(\$120,712)	(\$120,712)
 <u>Revenues:</u>			
Federal Special Revenue (03)	(\$72,652)	(\$88,084)	(\$87,890)
 <u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	\$26,967	\$32,628	\$32,822